



CORPORATE INDIA RISK INDEX

2023

Intelligence partner

FROST & SULLIVAN

SECTOR REPORT 2023

TOURISM & HOSPITALITY



Table of Contents

Preface.....	3
Executive Summary	4
Introduction.....	5
Bottom-Up Risk Assessment Approach.....	10
Defining the Risk Scale	12
India - Emerging Superpower with Optimized Corporate Risk Handling	15
India Showcasing an Optimized Risk Handling	19
Tourism & Hospitality Sector Insights 2023	21
Tourism & Hospitality Sector Risk Index 2023 Vs 2022	23
Key Highlights	25
ICICI LOMBARD: Key Solution Offerings	34
Bibliography.....	40

Table of Figures

Figure 1: Risk Assessment Approach.....	10
Figure 2: Corporate India Risk Index 2023.....	19
Figure 3: Corporate India Risk Index 2023 Sector Score.....	20
Figure 4: Detailed Comparative Analysis 2022 Vs. 2023	23

Preface

Corporate India Risk Index is primarily an academic exercise to understand the level of risk that companies are facing and also assist in developing a successful risk aversion plan, CIRI is a first-of-its-kind risk measurement tool to gauge the level of a company's risk exposure and preparedness.

This Corporate risk comprises of various aspects of the business—spanning customer, competition, regulatory environment, business operations, technology finances, environmental factors etc. The impact of unprecedented events is significantly higher now.

This Index is a comprehensive framework that draws upon global risk management best practices and comprises of 32 risk elements across 6 broad dimensions. The Risk Index is based on the principles of Lean and Six Sigma that qualify business processes by measuring effectiveness and efficiency.

ICICI Lombard's Corporate India Risk Index provides a crucial tool for assessing and addressing risks, fostering resilience and adaptability in the ever-evolving global landscape. In the current climate of increasing macroeconomic uncertainties, it is essential for corporates to prioritize robust risk management. We believe that a proactive approach to risk management not only fortifies individual businesses but also contributes significantly to India's overall economic growth and stability.

Executive Summary

The Tourism and hospitality sector in India serves as a vital contributor to the nation's economy, offering diverse cultural experiences, historical landmarks, and natural wonders to visitors from around the globe. In 2023, the sector witnessed a remarkable recovery, with a significant uptick in foreign tourist arrivals and domestic travel activities. However, amidst its promising growth trajectory, the sector faced a myriad of risks across various dimensions.

Market and economic risks loomed large, driven by fluctuations in demand, geopolitical tensions, and regulatory challenges. Technology-related risks, including data compromise and disruptive technologies, necessitated robust cybersecurity measures and adaptation strategies. Operational and physical risks, such as supply chain disruptions and environmental hazards, underscored the need for resilient infrastructure and disaster management plans.

Crime and security risks, particularly cybercrimes and harassment/bribing, demanded heightened vigilance and collaboration with law enforcement agencies. Natural hazard and event risks, exemplified by severe floods and cyclones, highlighted the importance of preparedness and resilient infrastructure. Strategic risks, including public sentiment and resource scarcity, underscored the need for proactive risk management strategies and adaptive responses.

Despite these challenges, opportunities for growth and innovation abounded, driven by technological advancements, public-private partnerships, and evolving consumer preferences. Effective risk management strategies, including proactive monitoring, robust cybersecurity measures, and contingency planning, were essential for mitigating risks and capitalizing on opportunities. By addressing risks and seizing opportunities, the tourism and hospitality sector in India could realize its full potential, fostering sustainable growth and development for the future.

Introduction

ICICI Lombard Corporate India Risk Index is a one of its kind, unified, credible, standardized corporate Risk Index that spans over the country level, the industry level, and the company level. The index has a comprehensive sector coverage.

Aerospace and Defence, Agriculture and Food Processing, Automotive and Ancillary, BFSI, Biotech & Life sciences, Chemicals and Petrochemicals, Education Skill Development, Energy, FMCG, Healthcare Delivery, Infra and Realty, IT/ITES, Manufacturing, Media and Gaming, Metals and Mining, New Age & Startup, Pharmaceuticals, Telecom and Communication Technology, Tourism and Hospitality, Transportation and Logistics.



The impact is identified across key business risk (internal and external) under the following ‘Strategic Risk Areas’, The ICICI Lombard Corporate India Risk Index Framework comprises of 32 risk elements across 6 broad dimensions.



Market and Economic Risk

Corporate Risks arising due to market and economy related factors, such as internal or external political uncertainty, global slowdown, taxation-regulatory changes etc. Market and economy related risks are also identified as ‘Systematic Risks’, we have further classified the risks into below mentioned categories.

- **Inflation:** Inflation is the general increase in prices within the economy. The rising prices for businesses could result in bigger production spending and a fall in profitability. The companies should be attentive, acute, and responsive to changes in inflation to efficiently manage the prices of final products.
- **Taxation:** In a large democracy like India, complexity of multiple taxes (multiple taxes like GST, custom duties, central excise duty, etc.) is a major concern. The changing legislations, increased scrutiny by tax authorities and increasing public attention are together resulting in tax risks for organizations. There is, thus an increasing urgency for firms to manage their tax affairs efficiently to minimize tax risks.

- **Regulatory Risks:** Regulatory risk is the risk of changes in regulations and laws that might affect an industry or businesses. The regulatory changes can pertain to tariffs and trade policies, business laws pertaining to employment, minimum wage laws, financial regulation, Foreign Direct Investment etc.
- **Foreign Exchange Risk:** The exchange rate plays an important role for firms who export goods and import raw materials. The fluctuations in foreign exchange will have great impacts on the prices of traded goods. For example, if the currency depreciates (devaluation), the exporting firms will benefit. However, the firms importing raw materials will face higher costs on imports. The firms need to hedge their exposure to foreign exchange risks to insulate themselves from the impact from forex changes.
- **Geo-political Tension:** Geopolitical risk means the political and economic risks that are a potential threat to the financial and operational stability of companies.
- **Competitive risk:** Competitive risk is the risk associated with the fact that there are multiple companies competing in the market, each seeking to obtain the highest position and consumer ratings, to gain maximum benefits for themselves. The companies devise different strategies to garner a higher market share and acquire customers from competitors. Any failure in managing the competitive stand could lead to losses in business, thereby making marketing and competition a major risk in market.



Technology Risk

Technology risks are also identified as information technology related risks which may arise due to failure of any installed hardware or software system, spam, viruses or any malicious attack. Also delay/over/under adoption of trending disruptive technologies can lead to technology related risks. We have classified the risks in below mentioned categories.

- **Innovation Risk / Obsolete Technology:** Innovation is the key to success in all the industries. Risk of redundancy and losing out to competition on account of poor R&D is a major concern.
- **Intellectual Property risk:** Dependence on trade secrets and unpatented proprietary know-how.
- **Disruptive Technologies:** These will fundamentally alter the financial prospects of the industry.
- **Data Compromise:** Hardware failure refers to malfunctions within the electronic circuits or electromechanical components (disks, tapes) of a computer system; Software failure refers to an operating system crash. Such failures lead to stoppage of entire computer or operating systems creating substantial losses to business.



Operational and Physical Risk

Operational & Physical Risk

Risk of losses caused due to faulty or failed processes, systems or human resource related inefficiencies are classified as operational and physical risks. We have classified Operational & Physical risks in below mentioned categories.

- **Critical Infrastructure Failure / Machine Breakdown:** Industries with a heavy dependence on machinery consider any rise in machinery breakdowns a hindrance to their businesses operations. An untimely equipment breakdown can bring businesses to a standstill or be the root cause for fires and explosions. Mostly, human errors and deferred maintenances are the major reasons for such breakdowns. The companies should actively invest in timely maintenance of all machineries.
- **Business Continuity / Sustainability:** Non adoption of Business Continuity/ Sustainability Plans and Lack of Internal Control tools would result in: Failure of businesses, Brand Equity / Loss of reputation, Financial Loss, Business model Failure, Ineffective engagement/communication with stakeholders, Losses in productivity, Lack of opportunity monitoring.
- **Supply chain risk:** Raw Material unavailability and Heavy Dependence on Global Supply Chains / Supplier concentration risk. Unavailability of raw materials owing to disruption in the supply chain or heavy dependency on one source (company/country) which is unable to supply owing to some geo-political tensions, fires, or any other incidents. Transportation is one of the key activities for companies making it an important risk to mitigate. The loss of goods in transit and spillage is one of the major concerns as it accounts for a sizeable loss of revenue to companies.
- **Commodity Price Risk - Volatility in prices of raw materials:** The fluctuations in raw material prices creating a margin pressure / top-line pressure in the scenario of rising input costs.
- **Portfolio Risk:** Loss of key customers, Customer concentration - Key customers accounting for a larger share of revenue, Over-dependence on suppliers, Business Model Risk: Transformative changes in business model, Tail Risks: Ability to overcome or manage extreme worst-case scenarios.
- **Environmental Hazard Risk:** Any environmental hazard having the potential to affect the surrounding environment.
- **Workplace Accident:** Fire and Explosion Hazards, Containment Incidents, Workplace Injuries
- **Human Resource:** Key person risk: This risk occurs when a business or business unit becomes heavily reliant on a key individual. Talent acquisition and retention - The companies require a highly skilled labor force for R&D as well as continuous production. Accessing skilled resources and expertise on an on-going basis is one of the major challenges; moreover, retention of trained staff is imperative. Labor shortages, Union Strikes & Industrial Actions, Employee health, safety, and security (SHE/Sustainability risk).

- **Financial Risk:** Financial Reporting Risk: Material misstatement of Financial Statements, whether due to fraud or error. Interest rates and equity prices: Interest rate risk arising out of working capital borrowings at variable rates. Equity price fluctuations affect the Company's income or the value of its holdings of financial instruments. Liquidity Risk (Credit Risk / Receivables).
- **Breaches of law (local/ international):** Voluntary/ involuntary breaches of law can lead to costly lawsuits.



Crime & Security Risk

Cybersecurity risks relate to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems and reflect the potential adverse impacts to organizational operations. These attacks can cause major financial losses, reputational harm, and a loss of client trust. Regarding cybersecurity, the BFSI industry in India has several difficulties, including difficult-to-secure legacy systems, a shortage of qualified cybersecurity personnel, and the requirement for ongoing system and network monitoring. There is a significant investment in cybersecurity tools like network monitoring, endpoint security, access control, and threat intelligence. Many organizations are also implementing cutting-edge technology like artificial intelligence and machine learning to strengthen their security posture.

We have classified Crime & Security risks in below mentioned categories.

- **Cyber Crimes:** Data Theft, Spam, scams and phishing, Hacking, Malwares and Viruses, Piracy, Fraud, Corruption, Malicious attacks
- **Counterfeiting:** Counterfeiting of goods/services leads to loss of revenues, profits and ultimately affects the brand equity
- Threat to Women Security
- **Terrorism:** Un-lawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.



Natural Hazard Risk

A natural hazard is the threat of an event that will likely have a negative impact. A natural disaster is the negative impact following an actual occurrence of natural hazard if it significantly harms a community. Due to India's geographical structure, it is one of the most disaster-prone countries in the world. Natural hazards like floods, earthquakes, landslides, and cyclones are common risks faced by India. The situation has worsened due to rise in GHG emissions, loss of biodiversity, deforestation, and degradation of environment. From Surat Gas leak to landslides in the north and cyclones in Bay of Bengal, the year 2022 was no exception. Such natural disasters hamper the day-to-day operations of corporates, and it is important for them to understand that such risks cannot go unheeded. Over the years, Indian corporates have learnt to mitigate such risks by diversifying their supply chains, having multiple logistics partners, diversified geographical presence and multiple vendors.

- **Pandemic and other global epidemic diseases:** Risk to business owing to disruptions caused by COVID-19 pandemic and similar another global epidemic.



Strategic Risk

Strategic risk is the risk that failed business decisions may pose to a company. Strategic risk is often a major factor in determining a company's worth, particularly observable if the company experiences a sharp decline in a short period of time. Several factors, such as unethical or unlawful activities, poor customer service, product recalls, data breaches, or unfavorable media coverage, can lead to strategic risk. An organization's reputation can be severely harmed by a single negative incident, such as a high-profile data breach or fraud scandal, resulting in a loss of clients, income, and market share.

- **Resource scarcity / Misutilization / Overall Utilization:** Difficulties in acquisition of land, water, fuel, or other resources for operations of business.
- **Public Sentiment:** Current events playing out in the public scene can change the public sentiment.
- **Delay in execution of projects:** Delays in execution of projects can surge in the capex.
- **Increased number of recalls and quality audits:** Impacts both the brand equity and increased operational expenses.
- **Failed / Hostile Mergers & Acquisitions:** High dependence on inorganic growth.

Bottom-Up Risk Assessment Approach

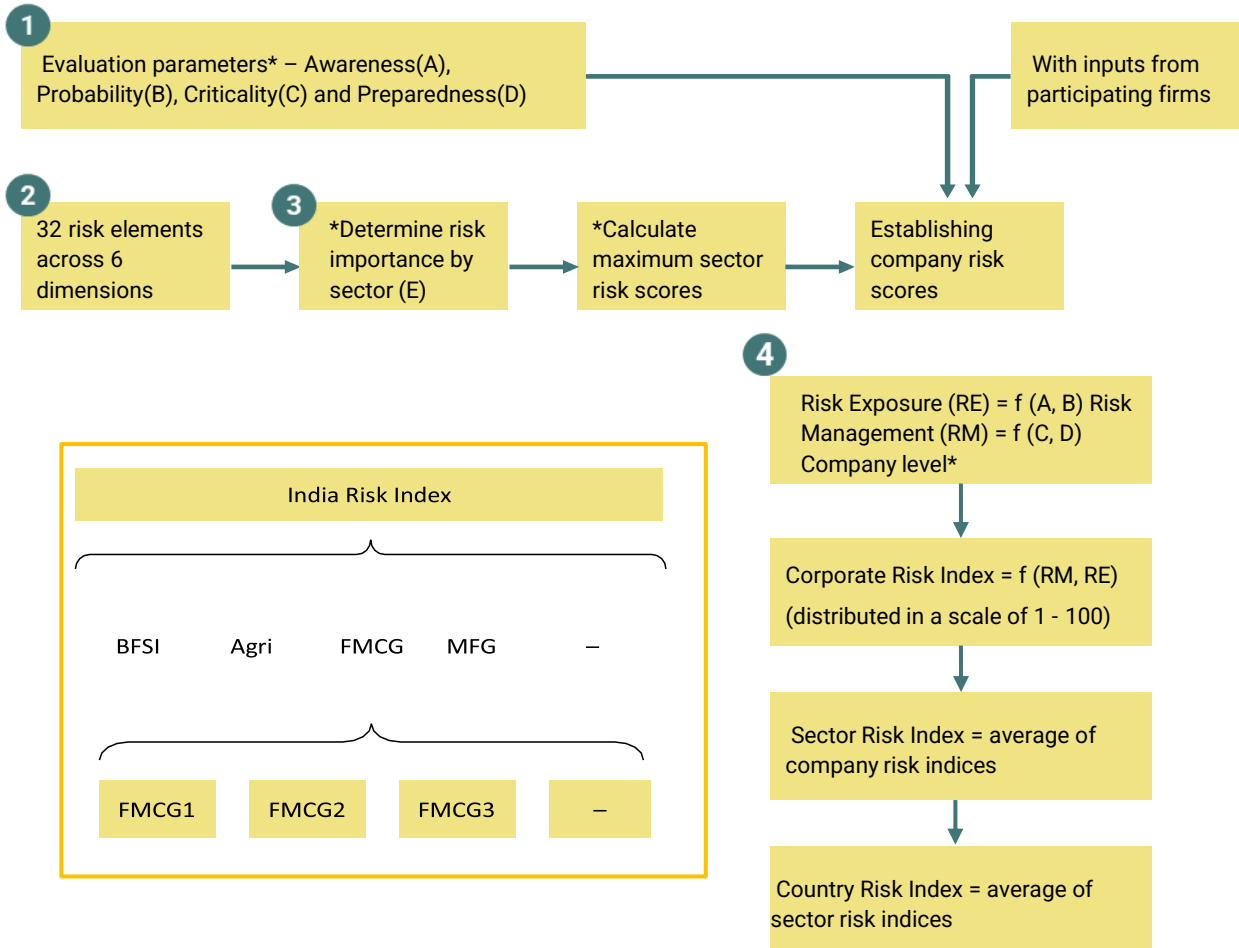


Figure 1: Risk Assessment Approach

1. Evaluation Parameters*: The index maps the risks faced by any enterprise basis of Awareness, Probability, Criticality and Preparedness against the defined Risk elements. The evaluation Parameters are defined as:

- Awareness - Level of awareness of potential risk affecting the firm.
- Probability - Likelihood of risk to affect the business goals of the firm adversely.
- Criticality - Level of impact of the identified risk on the success of business goals.
- Preparedness - Risk handling practices/ mechanisms already in place to handle the risk.

2. **Determining Risk Importance*:** Importance/Impact of individual risk element is established against individual sector based on the published corporate risk reports, in depth sector understanding by F&S team and SMEs.
3. **Calculating Maximum Sector Risk Score:** Weighted Sum of all risk elements based on their importance to the respective sector.
4. **Company Level*:** All the Risk Index scores for companies in a sector are averaged to represent the sector; and sectors average to India. Risk Exposure is defined as the function of corporate's Risk Awareness and Probability of risk occurrence. Risk Management is defined as the function of an enterprise risk preparedness and criticality risk impact assessment.

Defining the Risk Scale

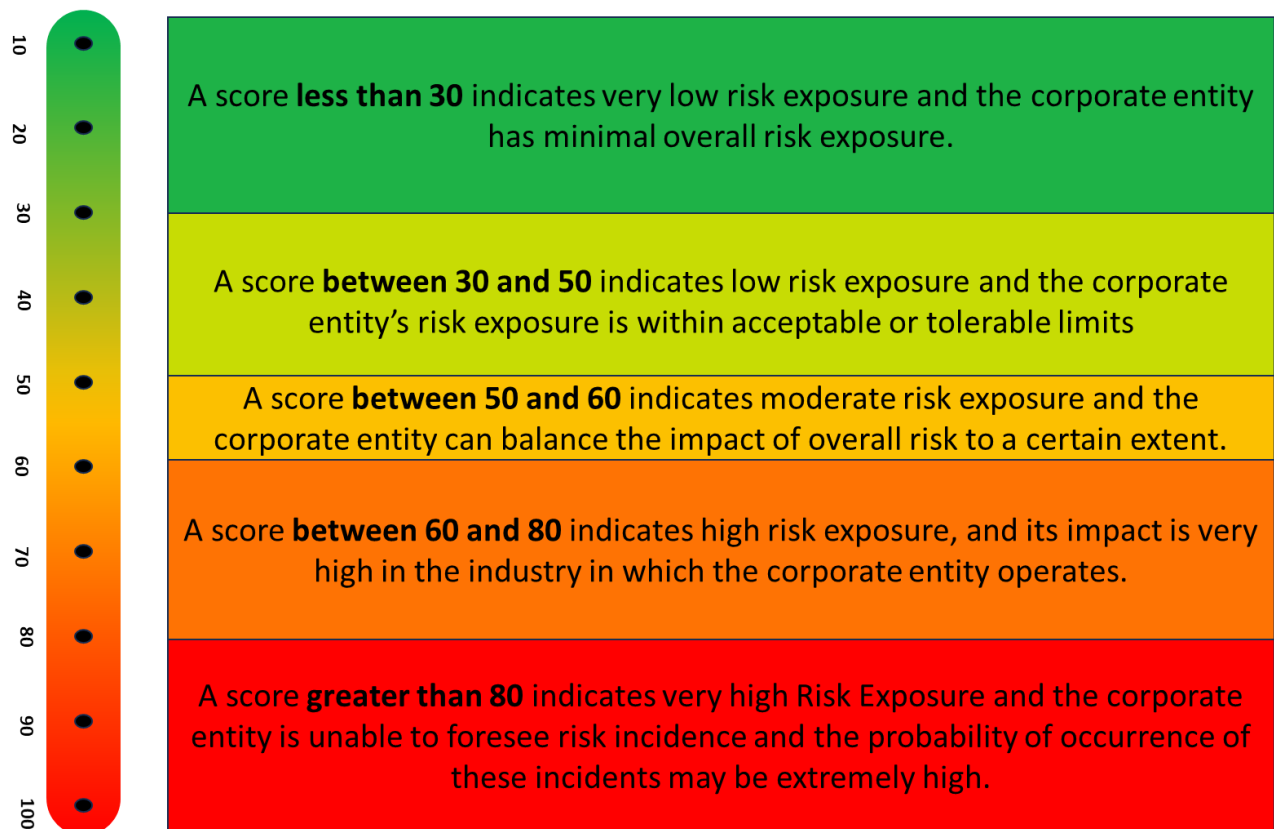
We have selected 20 sectors to understand the current stand of our country today in terms of risk. Risk for various sectors is measured on the risk exposure scale and risk management scale.

A. ICICI Lombard Corporate Risk Exposure – Scale

Risk Exposure: The impact of any internal, external or strategic occurrence on the financial performance of an organization is defined as the corporate risk exposure.

Risk has traditionally been seen as something to be avoided – with the belief that if behavior is risky, it's not something a business should pursue. But the very nature of business is to take risks to attain growth. Risk can be a creator of value and can play a unique role in driving business performance.

Let's look at the risk exposure scale.

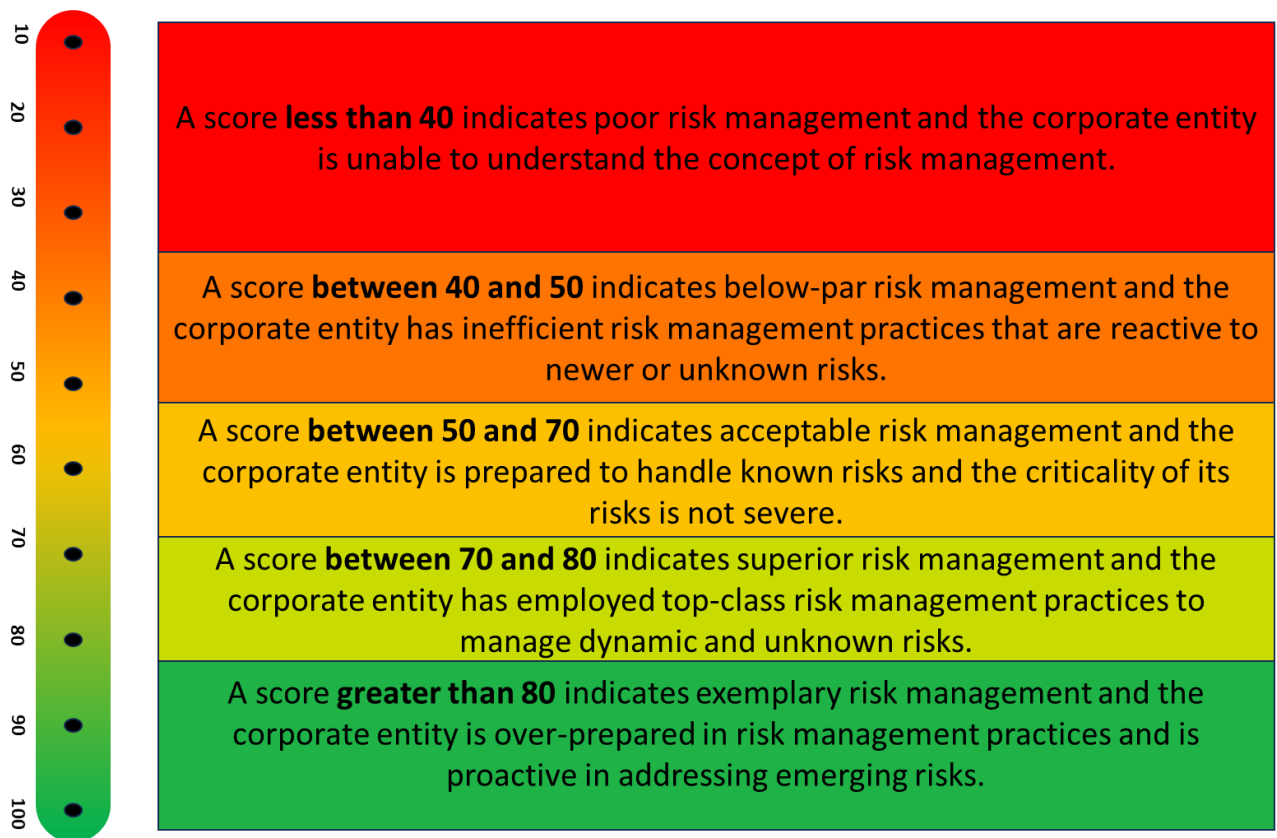


B. ICICI Lombard Corporate Risk Management – Scale

Risk Management: Identification, Evaluation and Prioritization of corporate risks followed by well-coordinated steps to minimize the occurrence of uncertainties in the foreseeable future is defined as the Corporate Risk Management.

The risk management scale works in the opposite to that of the risk exposure scale.

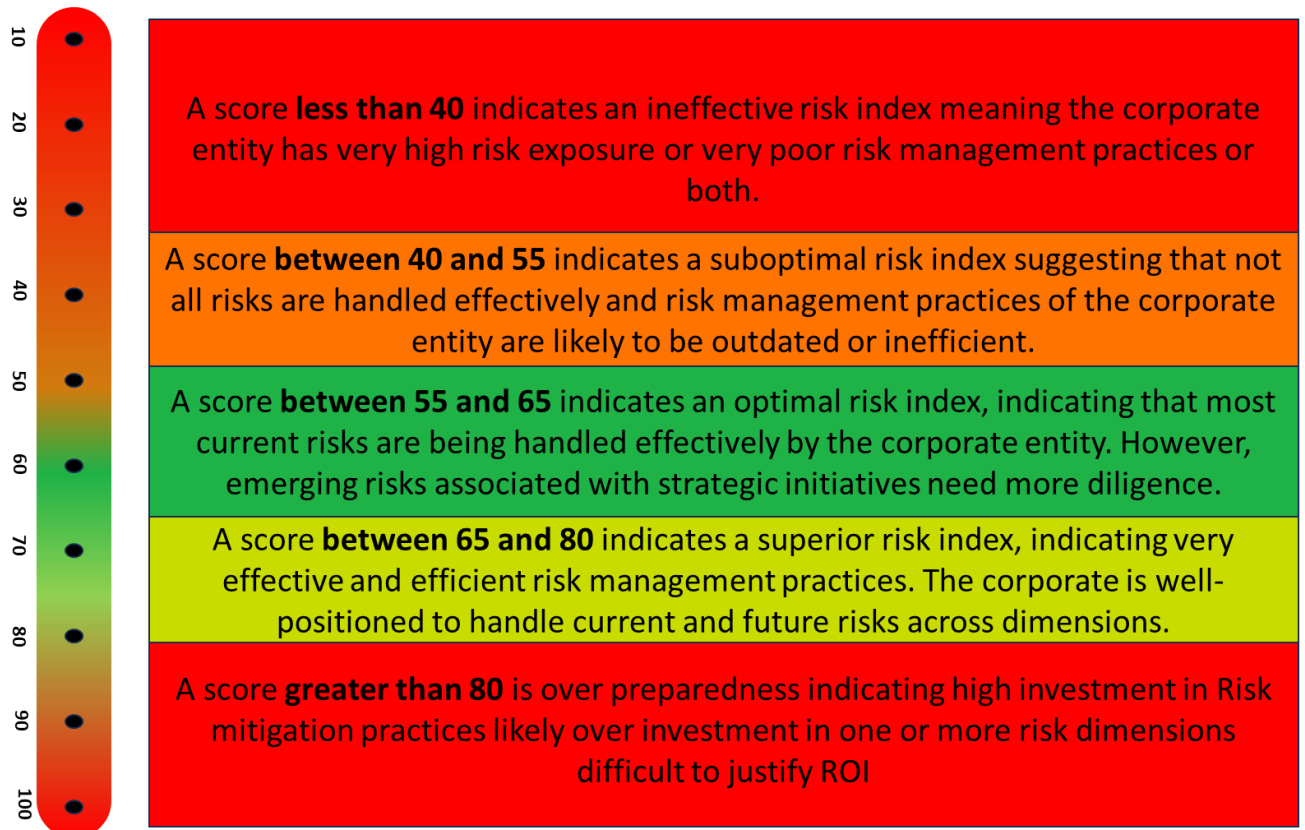
Let's look at the risk management scale.



c. ICICI Lombard Corporate Risk Index – Scale

Risk Index: Risk Index is a measurement tool to gauge the level of Risk Exposure against Risk Preparedness. The score intends to give companies/Sector/Country access to an extensive and quantifiable metrics of risk management.

Let's look at the risk Index scale.



India - Emerging Superpower with Optimized Corporate Risk Handling

In 2023, India witnessed a number of developments in various sectors, reflecting changes in consumer preferences, technological advances and regulatory trends. These developments shaped the industry and affected strategic decisions among industry players.

Electric vehicles (EVs) gained traction across sectors, driving investments in infrastructure and incentivized by government policies promoting electric mobility. The Automotive industry witnessed a surge in demand for EVs, while Logistics & Transportation embraced electric fleets to reduce carbon emissions and operational costs. Digital transformation accelerated across sectors, fueled by the COVID-19 pandemic. Telemedicine, online banking, and remote work solutions proliferated in Healthcare, BFSI, and IT/ITES sectors, enhancing operational efficiency and customer experiences.

In 2023, sustainability took center stage as sectors across India embraced eco-friendly practices. The Energy sector witnessed a shift towards renewable energy sources, with significant investments in solar and wind power. Industries like Manufacturing and FMCG prioritized energy efficiency and waste reduction initiatives. Hospitality and Real Estate sectors focused on green building practices, while Agriculture adopted precision farming techniques to conserve resources.

AI integration surged in 2023, revolutionizing business operations across sectors. Manufacturing companies leveraged AI for predictive maintenance and quality control, enhancing efficiency and reducing costs. Healthcare adopted AI-powered diagnostics and personalized treatment plans, improving patient care. Financial institutions utilized AI for fraud detection and risk assessment, bolstering security and compliance.

Social media emerged as a powerful tool for brand building and customer engagement in 2023. FMCG and Retail sectors capitalized on social media platforms to launch targeted marketing campaigns and drive product sales. Hospitality and Tourism industries utilized social media influencers to enhance brand visibility and customer loyalty. By leveraging social media analytics and customer feedback, companies across sectors tailored their strategies to effectively connect with their target audience and build brand reputation.

The "Make in India" initiative drove significant changes in supply chain operations in 2023. Sectors like Automotive, Manufacturing, and Pharmaceuticals emphasized local sourcing to reduce dependency on imports. Companies diversified their supplier base and optimized logistics networks to mitigate supply chain risks. This strategic shift towards domestic production enhanced resilience and competitiveness across industries.

Diversity, Equity, and Inclusion (DE&I) initiatives gained momentum in 2023, fostering inclusive workplaces across sectors. Companies in BFSI and IT/ITES led the way with diversity training programs and gender-neutral policies. Healthcare organizations focused on addressing healthcare disparities among marginalized communities. Manufacturing and Retail sectors prioritized inclusive hiring practices to tap into diverse talent pools, driving innovation and employee engagement.

Leadership risks emerged as a critical concern in 2023, prompting sectors to reassess their leadership strategies. Companies in BFSI and Technology faced challenges in adapting to rapid technological advancements and changing market dynamics. Healthcare organizations navigated leadership transitions amidst the COVID-19 pandemic, emphasizing the need for agile and resilient leadership. Strategic investments in leadership development and succession planning became imperative to mitigate leadership risks effectively.

Disruptive technologies like artificial intelligence, blockchain, 5G, and IoT reshaped traditional business models, offering new avenues for innovation and growth in sectors such as Telecom & Communication, Biotech & Life Sciences, and New Age Industries.

The scenario of the Indian economy in 2023 had a myriad of risks and opportunities in various sectors. Cybersecurity emerged as a pervasive risk, affecting industries from banking and finance to healthcare and IT/ITES. With more than 400 million cyber threats detected in nearly 8.5 million locations by 2023, organizations prioritized strong cybersecurity measures. Advanced threat detection systems, encryption protocols and employee training programs were implemented locally to enhance cyber resilience and protect sensitive data.

Another common risk was supply chain disruption, exacerbated by factors such as geopolitical pressures, natural disasters, and semiconductor chip shortages. To mitigate these risks, companies diversified their supplier base, invested in inventory management systems, and adopted agile supply chain practices to enhance resilience and flexibility.

Regulatory uncertainty was rife in industries such as Pharma, Energy, Telecommunications, which required active engagement with regulators. Furthermore, environmental risks emphasized the importance of sustainability and green technologies, renewable energy and waste management practices to reduce environmental impact around us and compliance with legal standards.

Despite the challenges posed by common risks, several sectors emerged as resilient performers in 2023, whose efforts helped us understand the situation in 2023 better. Noteworthy efforts included the "National COVID-19 Vaccination Drive" in healthcare, "Electric Vehicle Adoption Mission" in automotive, and "Green Freight Movement" in logistics. Additionally, initiatives such as the "Make in India Defence" program in aerospace and "Skill India Mission 2.0" in education underscored the nation's commitment to innovation and development.

The Automotive industry in India showed resilience in the face of supply chain disruption and regulatory uncertainty. Focusing on sustainability and innovation, the sector saw an increase in electric vehicle (EV) adoption, with sales reaching Rs 4.22 lakh crore. The Aerospace & Defence sector focused on developing indigenous manufacturing capacity and technology to strengthen national defence by investing Rs 1.5 lakh crore.

In the Healthcare sector, India has invested heavily in digital health solutions and infrastructure to combat the lingering effects of the COVID-19 pandemic. With a total investment of more than Rs 50,000 crore, companies have expanded telemedicine and implemented AI-powered diagnostics to improve patient care.

The Manufacturing sector prioritized digitalization and process optimization to enhance productivity and competitiveness amidst supply chain disruptions and inflationary pressures. Companies invested Rs 1.2 lakh crore in automation technologies and smart manufacturing initiatives to streamline operations and reduce costs. The Logistics & Transportation companies invested Rs 800 crore in blockchain-based traceability systems and cyber security protocols to secure supply chains and protect sensitive data from cyberattacks.

The Hospitality industry adapted to customer preferences and regulatory requirements through new service offerings and customer engagement strategies. With an investment of Rs 0.5 lakh crore, companies also focused on using contactless technology to improve health and safety measures, ensuring that guests have satisfaction and compliance.

The Agricultural & Food Processing sector embraced technological initiatives to increase agricultural productivity and ensure food security in the face of climate change and supply disruptions. With an investment of Rs 1 lakh crore, companies focused on precision farming and farm-to-fork traceability solutions to improve crop yield and quality.

The BFSI sector focused on digital transformation and risk management to address cyber threats and regulatory challenges. Banks and financial institutions invested Rs 2,50,000 crore to implement advanced cyber security measures and fraud detection systems to protect customer data and prevent financial fraud.

The Biotech & Life Sciences sector showcased innovation and resilience amidst regulatory complexities and supply chain disruptions. The Chemicals & Petrochemicals sector navigated environmental regulations and market volatility through sustainable practices and operational excellence initiatives. Digital learning and job training were adopted to meet workforce challenges and enhance productivity in the face of technological disruption and demographic changes in the Education & Skill Development sector.

The Energy sector has shifted towards renewable energy and sustainable development policies to mitigate the risks of climate change and reduce dependence on fossil fuels. Moreover, with investments of Rs 1.5 lakh crore in smart grid technologies and demand-side management initiatives to optimize energy consumption and reduce emissions, the sector prioritized grid modernization and energy efficiency.

The IT ITES sector continued to drive digital transformation and innovation to address cybersecurity threats and meet evolving customer demands. With investments of Rs 4 lakh crore, companies focused on cloud computing and cybersecurity solutions to protect data and ensure business continuity.

The Metals & Mining sector focused on sustainable practices and community engagement to address environmental concerns and social risks associated with resource extraction. With investments of over Rs 0.8 lakh crore, companies implemented reclamation and rehabilitation projects to restore mined areas and promote biodiversity conservation.

The New Age sector, comprising startups and technology companies, showcased innovation and resilience amidst market uncertainties and funding challenges. Additionally, the sector prioritized talent acquisition and retention, with investments of Rs 0.5 lakh crore in employee benefits and workplace diversity initiatives to attract top talent and foster a culture of innovation.

The Telecommunication sector continued to expand connectivity and digital infrastructure to meet growing demand for broadband services and IoT applications. With investments of over Rs 2 lakh crore, companies deployed 5G networks and fiber-optic cables to enhance network capacity and speed.

In summary, India's diverse sectors demonstrated resilience and innovation in navigating through a challenging operating environment in 2023. As India continues its journey towards economic prosperity, proactive risk management and innovation will remain critical drivers of success across diverse sectors.

India Showcasing an Optimized Risk Handling



Figure 2: Corporate India Risk Index 2023

A score of 64 on the Corporate Risk Index indicates optimal handling of risk by the Indian companies. However, to enter the superior risk handling territory, the Indian companies have scope to improve upon their risk management practices in the areas of crime & security risks and strategic risks. It was observed across sectors that there is an increased focus on cybersecurity and other technological risks.

In the sectorial analysis of risk exposure, it was found that companies were most affected by market & economy and operational & physical risks due to inflation, global volatility and geopolitical events like the Red Sea crisis, Israel Palestine conflict and Russia Ukraine War.

Another common risk was supply chain disruption, exacerbated by factors such as geopolitical pressures, natural disasters, and inflation. To mitigate these risks, companies diversified their supplier base, invested in inventory management systems, focused on localization and adopted agile supply chain practices to enhance resilience and flexibility.

It was observed that risk management is getting an increased focus in the growth strategy of every organization with companies having dedicated risk teams to manage their risk exposure. All the organizations fell either into 'Superior Risk Management' or 'Optimal Risk Management' category indicating good risk management practices.

Below is a broader categorization of sectors in terms of risk index:

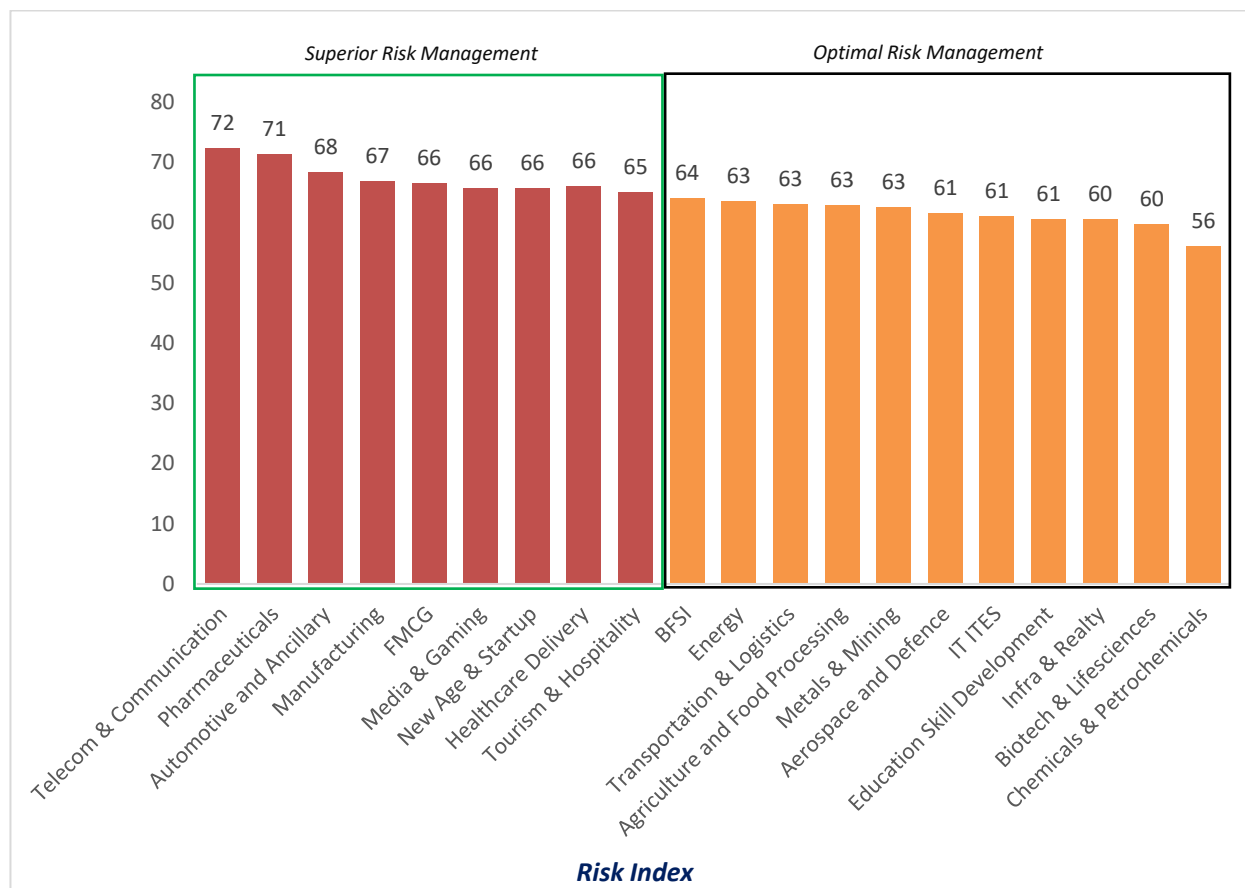


Figure 3: Corporate India Risk Index 2023 Sector Score

Superior Risk Index

Superior risk handling was found in nine industrial sectors: Telecom & Communication, Pharmaceuticals, Healthcare Delivery, Automotive & Ancillary, Manufacturing, FMCG, Media & Gaming, New Age & Startups and Tourism & Hospitality.

Optimal Risk Index

Optimal risk handling was found in 11 industrial sectors: BFSI, Energy, Transportation & Logistics, Agriculture & Food processing, Metals & Mining, Aerospace & Defence, IT ITES, Education & Skill Development, Infrastructure & Realty, Biotech & Lifesciences and Chemicals & Petrochemicals.

Tourism & Hospitality Sector Insights 2023

The year 2023 was declared to be the Visit India Year 2023 in a bid to position India as a 360-degree holistic destination in the major international source markets. Ministry of Tourism in collaboration with the overseas Indian Missions participated in major international travel exhibitions like FITUR, Madrid, Arabian Travel Mart, Dubai, World Travel Market, London, IMEX Frankfurt, Top Resa, Paris, ITB Berlin, OTDYKH, Moscow and ITB Asia Singapore leading a delegation of DMCs, inbound tour operators, hoteliers amongst others to showcase the diversity of Indian tourism products and themes to the global travel trade sector. India was also the partner country for the JATA Tourism Expo, which was held at Tokyo, in October 2023.

Overall, tourism recovered 87% of pre-pandemic levels in January-September 2023 putting the sector on course to recover almost 90% by the end of the year.

Foreign Tourist Arrivals (FTAs) during the period January- October, 2023 were 72,43,680 as compared to 46,55,160 in January-October 2022 and 86,11,517 in January-October, 2019 registering a growth of 55.6% and -15.9% with respect to 2022 and 2019 respectively.

Ministry of Tourism organized the 11th edition of International Tourism Mart in the NER (Net Effective Rent) to showcase the tourism potential of the North Eastern States of India at the domestic and international levels (participation from various stakeholders, including government representatives, tourism boards, tour operators, travel agencies, and media outlets from different countries) at Shillong, Meghalaya.

On World Tourism Day, the Ministry of Tourism, Government of India introduced the 'Travel for Life' program under Mission Life, aimed at promoting sustainable tourism practices. 'Travel for Life' seeks to raise awareness and encourage behavioral changes among tourists and tourism businesses towards embracing sustainability. It advocates for a transition from a linear economy to a circular economy, emphasizing mindful resource utilization and environmental preservation. The program aims to mainstream sustainability in the tourism sector, fostering a resilient and responsible industry. By promoting collaboration and sustainable practices, it strives to create a tourism sector that preserves natural resources, benefits local communities, and ensures a positive legacy for future generations.

Indians traveled more frequently in 2023, however most of them continued to choose well-known tourist destinations. Nevertheless, a little but increasing percentage of tourists were eager to visit unexplored places like Varkala in Kerala, Yercaud in Tamil Nadu, Mandarmani in West Bengal, Gokarna in Karnataka, Kumbhalgarh in Rajasthan, and more. This new pattern suggests a greater chance for destination diversity, providing the hotspots with much-needed time to upgrade their infrastructure and boost capacity. India presents a wealth of opportunities to broaden one's travel horizons with its diverse range of cultures, landscapes, and historical places. Recognizing this potential, the Indian government has actively marketed lesser-known travel locations with programs like "Dekho Apna Desh" and "Swadesh Darshan."

Looking back at 2023, it is clear how important the travel and tourism sector in India has been to the country's economic recovery. Not only did the industry recover quickly after the pandemic, but it also made a significant economic contribution to India. WTTC reports that the industry's GDP contribution has been steadily rising and is expected to reach approximately INR 16.5 trillion in 2023, demonstrating its critical significance in the nation's economic structure. This expansion is a reflection of a sector that has overcome previously unheard-of obstacles by not only recovering but also evolving and adapting.

India's road and aviation networks have undergone significant development, cutting travel times and increasing accessibility. Road travel in the nation is changing thanks to major developments like the Delhi-Jaipur Expressway, the Bengaluru-Mysore Expressway, and the continuing Delhi-Amritsar-Katra Expressway, among others. Furthermore, with the addition of more than 85 additional sectors since April 2023, air travel is currently available in most parts of the nation.

Despite facing global geopolitical challenges and the looming threat of recession, the hospitality sector in India exhibited resilience, with domestic demand remaining robust throughout the year. Moreover, expectations of an increase in international travel further contributed to the industry's positive outlook. As the hospitality industry bid farewell to 2023, it found itself at the crossroads of transformation, reflecting on a year characterized by resilience, innovation, and adaptability. Looking ahead, industry leaders recognize the imperative of maintaining a sharp focus on health and safety protocols, accelerating digitalization initiatives, and embracing sustainable practices to ensure long term growth and resilience.

Tourism & Hospitality Sector Risk Index 2023 Vs 2022

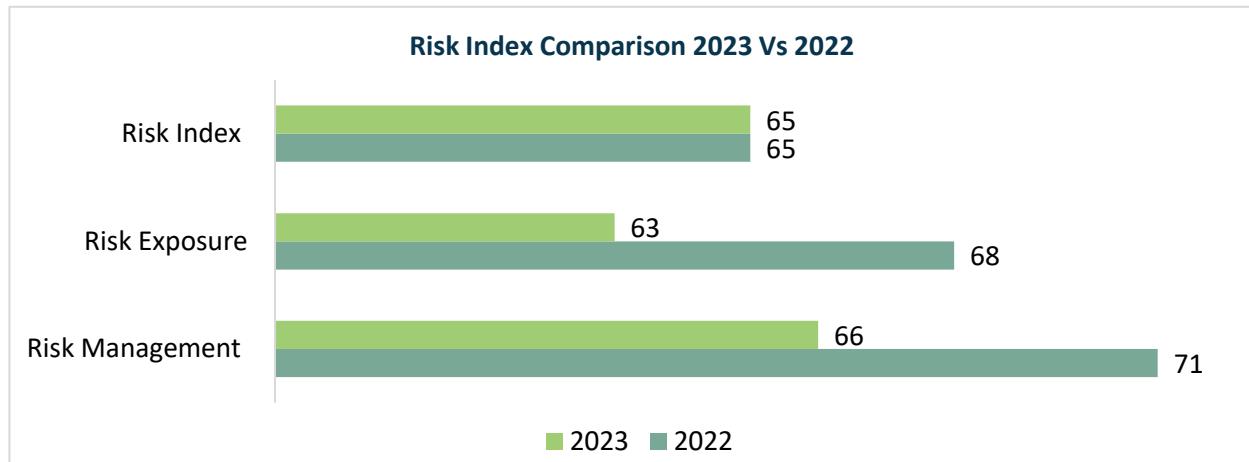


Figure 4: Detailed Comparative Analysis 2023 Vs. 2022

Tourism & Hospitality Sector Risk Index 2023 vs 2022

Hospitality sector remained steady at 65 from 2021-22 to 2022-23, despite several notable developments. There was an uptick in travel, both domestic and international, compared to the previous year, with tourism reaching 87% of pre-pandemic levels in January-September 2023. The emergence of Lakshadweep as a new tourist destination contributed to the sector's potential growth, alongside increased revenue from hosting the G20 summit. However, the sector also faced challenges, including heightened competition and a lack of remote work opportunities for frontline workers, leading to workforce attrition. Additionally, the sector encountered increased cybersecurity threats due to the adoption of technologies such as room key scanners and AI. Despite a decrease in global risk perception, pandemics continue to be a significant concern for the hospitality industry, ranking as the 10th highest risk.

Tourism & Hospitality Sector Risk Exposure 2023 Vs 2022

In 2023, the risk exposure of the Indian Tourism and Hospitality Sector decreased from 68 to 63. This decline was influenced by various factors, including supply chain issues and rising oil prices impacting commodities. Despite these challenges, the sector experienced a boost from increased travel activities, driven by events such as the G20 summit and the inauguration in Ayodhya. Consequently, there was a notable surge in the number of travelers, marking a substantial growth compared to the pre-COVID era. In response to these changes, companies began implementing sustainable measures to adapt to evolving demands and ensure long-term resilience.

Tourism & Hospitality sector Risk Management 2023 Vs 2022

The Indian Tourism and Hospitality sector witnessed a notable decline in its risk management score, dropping from 71 to 66 in 2022. While there has been a relative reduction in the sector's overall risk exposure, certain areas have remained stagnant or even experienced an increase in risk management challenges. Particularly, the adoption of technology, including AI, has led to heightened exposure to cyber threats. Companies are grappling with this issue as they strive to adapt to technological advancements while mitigating associated risks effectively.

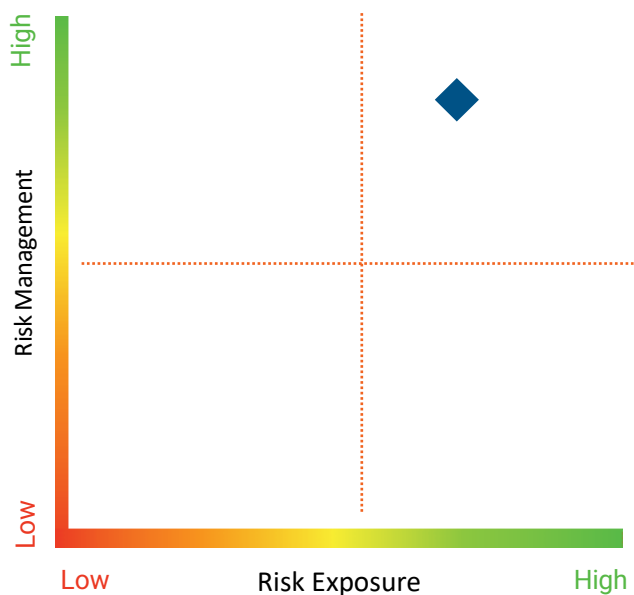
Key Highlights



Risk Dimension Analysis: Market and Economy

Risk Exposure Score: 65

Risk Management Score: 68



Taxation

- In the fiscal year 2022/23, India's branded and organized hotel sector achieved a nationwide occupancy rate of 66.1%, marking the second-highest figure in the past decade, falling short by a mere 0.1%. Concurrently, the Average Daily Rate (ADR) surged to INR 6,869, the highest recorded in the past decade, propelling the Revenue per Available Room (RevPAR) to INR 4,537, also a decade-high.
- The hosting of the World Cup in India resulted in a significant revenue boost for hotels, driven by heightened demand from both spectators and teams.
- While the hotel industry experiences seasonal fluctuations, revenue peaks vary depending on factors such as location and clientele demographics.
- Historical data indicates that revenues from franchise and management contracts tend to peak in the second and third quarters, coinciding with increased leisure travel during spring and summer.
- The seasonal nature of the business introduces quarterly variations in operating results, earnings, and profit margins.

Geopolitical Risks:

- The G20 summit exerted a notable and positive influence on hotel revenues, not only in Delhi NCR but also across various Indian cities.
- Political tensions between India and the Maldives led Indian tourists to boycott the destination, raising concerns about traveler safety. Conversely, Prime Minister Modi's promotion of Lakshadweep has stimulated domestic tourism interest, presenting opportunities for the hotel sector to cater to a surge in visitors exploring new destinations within India.

Regulatory Risks:

- The tourism sector operates under the framework of the National Tourism Policy 2023, aimed at positioning India as a year-round tourist destination.
- Emphasis is placed on job creation and entrepreneurial opportunities within the tourism sector, along with ensuring a skilled workforce supply.
- The policy aims to enhance tourism sector competitiveness and attract private sector investments, while also focusing on preserving and enhancing cultural and natural resources and promoting sustainable, inclusive development.

Competitive Risk:

- India's segmented Tourism and Hospitality sector faces significant competition from local players and platforms like Airbnb, leading to hotel cannibalization. International visitors often prefer these options for their affordability and authentic local experiences.
- Effective competition within the highly competitive hotel industry is crucial for the company's success.
- Competition hinges on factors such as brand recognition, location, room rates, property size, amenities, guest satisfaction, and loyalty program benefits.
- The company competes for franchisees with other hotel franchises, potentially hindering its franchise system growth.
- The construction of new hotels adds to the supply, creating additional competitors without necessarily increasing lodging demand. Competitive pressures may lead to fee adjustments, impacting profitability and necessitating business model revisions.

Taxation:

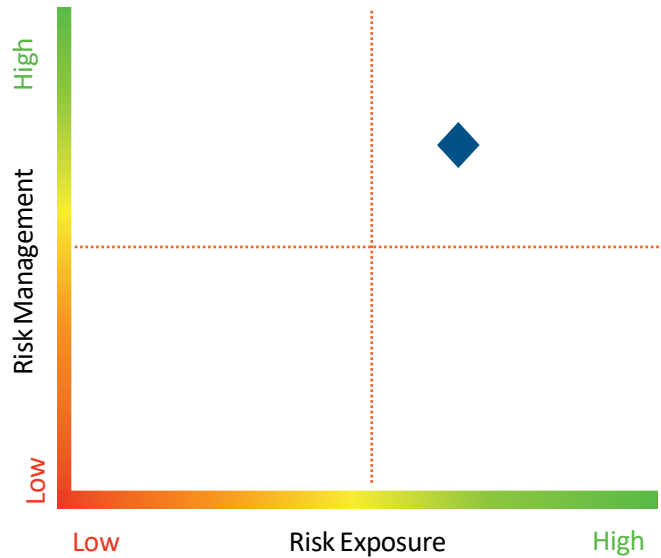
- The recent increase in Tax Collection at Source (TCS) mandates, from 5% to 20%, has resulted in overseas tour packages becoming significantly more expensive, adversely affecting overseas travel affordability.



Risk Dimension Analysis: Technology

Risk Exposure Score: 65

Risk Management Score: 63



Disruptive Technology

- Utilization of diverse data sources in the hotel sector to identify guest patterns and behaviors, enhancing revenue management, targeted advertising, and customer service.
- Trials of blockchain payments underway in hotels, aiming to simplify currency conversion complexities, reduce transaction costs, and bolster security for guests.
- Implementation of AI and ML systems in major airports for baggage traceability, improving efficiency, and minimizing the risk of lost luggage, thereby enhancing passenger experience.
- Rapid technological advancements, particularly in AI and virtual reality, transforming guest experiences in hotels by offering personalized services, immersive experiences, and tailored recommendations.
- Evolution of traditional service models in hospitality as hotels embrace innovation to deliver unforgettable guest experiences, challenging conventional approaches and raising standards across the industry.

Data Compromise:

- Cyberattacks and inadequate data security measures pose significant threats to the company's stakeholders, potentially resulting in legal ramifications for the organization.
- The company must prioritize robust cybersecurity protocols and invest in advanced security measures to safeguard sensitive data and mitigate the risk of data breaches.
- In the event of a data compromise, swift response and effective mitigation strategies are essential to minimize the impact on stakeholders and mitigate potential legal liabilities.
- Compliance with data protection regulations and industry standards is crucial for maintaining trust and credibility among customers, partners, and regulatory authorities.
- Regular monitoring, assessment, and enhancement of data security practices are necessary to stay ahead of evolving cyber threats and ensure ongoing protection of sensitive information.

Intellectual Property:

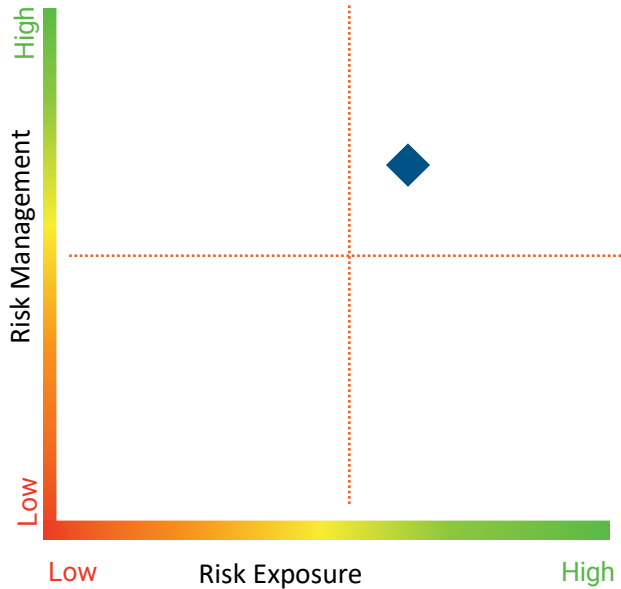
- In the highly competitive industry landscape, trademarks and other intellectual property rights are crucial assets for marketing and selling services, representing high standards of quality, care, service, and value to franchisees and guests.
- Active utilization and protection of trademarks and intellectual property rights are essential strategies for maintaining competitiveness and brand reputation.
- The company registers trademarks in relevant authorities, including the United States Patent and Trademark Office, to protect intellectual property rights from unauthorized use.
- Collaboration with licensees and strategic partners is key to maximizing the value and impact of intellectual property assets.
- Continuous monitoring of trademark usage and enforcement of intellectual property rights are necessary to prevent infringement and unauthorized exploitation of brand assets.



Risk Dimension Analysis: Operational and Physical

Risk Exposure Score: 63

Risk Management Score: 67



Supply Chain

- Global disruptions in supply chains pose significant challenges for companies, including sourcing essential supplies, maintaining operational efficiency, and managing costs effectively.
- Diversifying supplier networks, developing contingency plans, and enhancing operational agility are essential strategies for mitigating supply chain risks.
- Proactive cost management practices can help companies navigate disruptions while maintaining guest satisfaction and operational excellence.
- Effective supply chain risk management is critical for ensuring business continuity and resilience in the face of unpredictable events such as natural disasters and pandemics.
- A strategic approach to supply chain management is essential for mitigating risks and maintaining operational stability in the hospitality industry.

Environmental:

- There has been a notable shift towards sustainability in the hospitality industry, with a heightened emphasis on eco-friendly practices and sustainable tourism, reflecting a global increase in environmental awareness.
- The reputation and value of hotel brands are influenced by various factors, including guest perceptions, franchisee satisfaction, stakeholder perceptions, and community engagement.
- Increasing scrutiny on environmental, social, and governance activities poses risks to hotel brands' reputation and value if they fail to act responsibly or comply with regulatory standards across various areas such as safety, responsible tourism, environmental management, and community support.
- Climate-related risks are regularly assessed using the Task Force for Climate-Related Financial Disclosures (TCFD) framework, covering both transition and physical risks, to inform risk management strategies.
- Effective risk management in environmental matters is crucial for maintaining brand reputation and ensuring long-term sustainability in the face of evolving environmental challenges.

Risk Registry:

- Climate-related risks are systematically reviewed using the Task Force for Climate-Related Financial Disclosures (TCFD) framework on an annual basis, addressing both transition and physical risks.
- Robust risk management processes are essential for identifying and mitigating climate-related risks, ensuring resilience and sustainability in the face of environmental challenges.

Human Resource Risk:

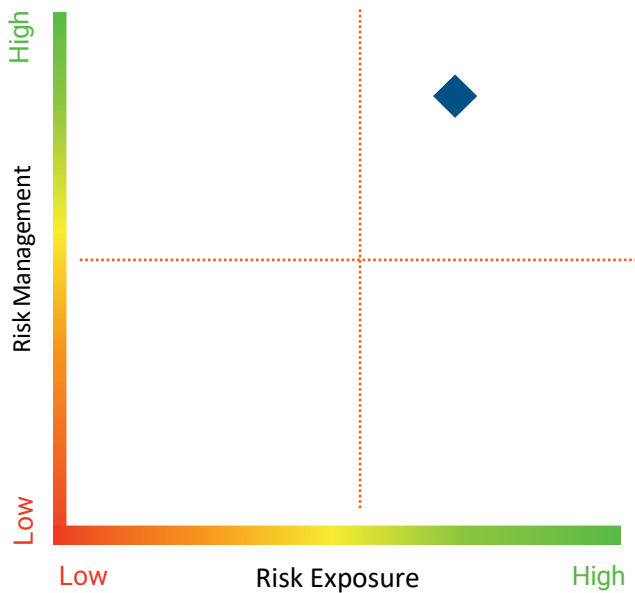
- Hiring in India's tourism and hospitality sector saw a significant increase in 2023, indicating a robust post-pandemic recovery and highlighting the industry's resilience and adaptability to evolving global trends.
- Frontline workers in the hospitality sector face limited remote work opportunities due to the industry's reliance on in-person experiences.
- The lack of remote work options has led to workforce attrition as employees seek higher-paying jobs with greater flexibility, leaving hospitality employers understaffed.
- Hospitality employers are addressing workforce challenges by focusing on enhancing efficiency and productivity while adapting to changing labor market dynamics.
- Strategies for attracting and retaining talent in the hospitality sector include offering competitive wages, providing career development opportunities, and fostering a supportive work environment.



Risk Dimension Analysis: Crime and Security

Risk Exposure Score: 62

Risk Management Score: 65



Cyber-crimes

- As hospitality and tourism industry is highly targeted by cybercriminals regularly testing the effectiveness of their technology and assessing it in the context of the evolving cyber threat landscape is necessary for the sector.

Harassment/Bribing:

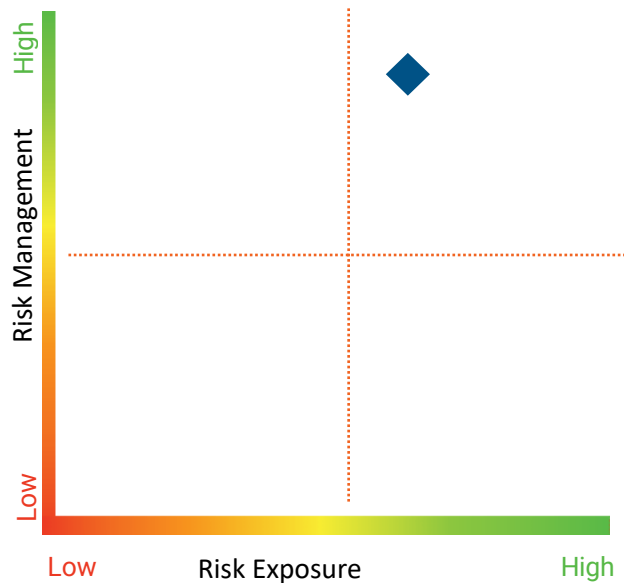
- The company has established and implemented a robust policy for the Prevention of Sexual Harassment of Women in the workplace, ensuring a safe and respectful work environment for all employees.
- A zero-tolerance approach towards corruption and unethical conduct is upheld by the company, reinforced by comprehensive policies such as the whistle-blower policy, anti-corruption policy, gift policy, and sexual harassment policy.
- These policies are instrumental in fostering a culture of transparency, integrity, and accountability within the organization, empowering employees to report any instances of harassment, bribery, or unethical behavior without fear of retaliation.
- Regular training and awareness programs are conducted to educate employees about their rights and responsibilities, as well as to promote adherence to ethical standards and compliance with company policies.
- By prioritizing the prevention of harassment and bribery, the company demonstrates its commitment to upholding the highest ethical standards and promoting a culture of respect, fairness, and integrity across all levels of the organization.



Risk Dimension Analysis: Natural Hazard and Event

Risk Exposure Score: 67

Risk Management Score: 70



Natural Hazards:

- In October, Sikkim witnessed severe flash floods during monsoon leading to damage of life and property. The tourism sector in the region was adversely affected as the natural disaster disrupted travel plans, damaged infrastructure, and hampered the overall visitor experience.
- In June, Biparjoy Cyclone in Kutch Gujarat led to massive destruction and traffic movement came to standstill in 3 state highways due to trees getting uprooted and damage of other properties. The cyclone likely caused a significant drop in tourist arrivals to Kutch and nearby areas. They likely suffered from decreased bookings and revenue as tourists avoided traveling to areas impacted by the cyclone.

Pandemic and other global epidemic diseases

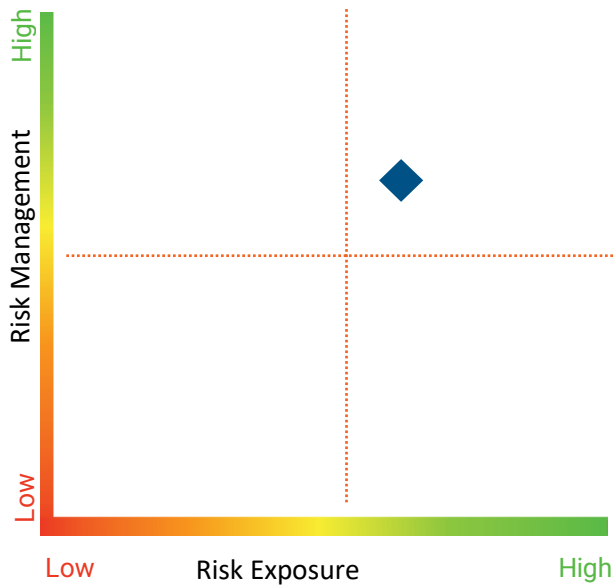
- Although pandemic risk and health crises dropped in global risk rankings from number seven in 2021 to number 32 in 2023, it remains a significant concern for the hospitality industry, maintaining a top 10 ranking.
- Despite the overall decrease in global risk perception, the hospitality sector still identifies pandemics as a major risk, ranking it as the 10th highest risk in the most recent survey, down from its position as the industry's second-highest-ranked risk in 2021.
- The persistence of pandemic risk in the hospitality sector may be attributed to lingering effects from previous outbreaks, such as ongoing challenges related to understaffing and lower occupancy rates in certain locations.
- Hotels have responded to these challenges by implementing stringent health and safety protocols, enhancing cleaning procedures, and offering contactless services to reassure guests and prioritize their well-being.
- To adapt to the uncertainty associated with pandemic crises, companies should implement flexible booking and cancellation policies, acknowledging the need to respond quickly to evolving circumstances while maintaining a focus on guest safety and satisfaction.



Risk Dimension Analysis: Strategic Risk

Risk Exposure Score: 60

Risk Management Score: 64



Public Sentiment

- Spiritual tourism rapidly gained momentum with religious destinations seeing record visitations.
- The total outbound tourist departure for the first 10 months of 2023 stood at 22.6 million, surpassing the 17.5 million number for the same period last year. Additionally, the country saw 7.2 million foreign tourist arrivals during the first 10 months of 2023 against 4.6 million visitors during a similar period in 2022.

Resource Scarcity/Overutilization

- Constrained global supply chains, especially for technical components like aircraft engines, have forced airline companies to ground a large proportion of their fleets. This reduction in plane inventory has led to capacity constraints, delays, cancellations, and increased flight costs for the consumer, frustrating the travelers. It has led to many intriguing cases where it is cheaper for an Indian traveler to go for an international trip than travel to a domestic destination.

ICICI LOMBARD: Key Solution Offerings



Property

Evaluation of various risks to understand areas for improvement, such as fire preparedness, electrical safety, safety & emergency preparedness, maintenance and house-keeping, etc. By evaluating risks, we can identify potential hazards and advise on mitigating risks.

- **Property Loss Prevention:** We believe users should carry out detail risk visit followed by benchmarking of the industry good practices (Industry Risk Profiling). For instance, industries such as chemicals & petrochemicals impose a major challenge in manufacturing due to inherent risk. We recommend solutions for “Low Focus - High Loss Areas. This can help in minimizing severity losses. All the risk recommendations are grouped into four different segments based on cost-impact matrix and the priority is decided accordingly. Key decision makers at user’s end can ensure to get recommendations implemented.
- **Comprehensive Risk Assessment (CRA):** A Comprehensive Risk Assessment is a systematic approach to electrical safety specially designed for industries to evaluate potential hazards and recommend improvements, coupled with savings. It is an important tool for identifying risks, severity of hazards and avoid incidents arising out of electrical faults.
- **Electrical Risk Assessment (ERA):** An Electrical Risk Assessment is a basic solutions focused towards electrical safety designed to evaluate potential hazards and recommend improvements. Majority of fires in India are caused due to electrical installations. Ensuring safety of electrical installations of industrial unit or organization is critical to reduce risk and ensure safety compliance with Safety Standards and Regulation. ERA is an important tool which have 6 inbuilt activities such as Electrical Audit & Thermography built in with other such solutions.
- **Fire Hydrant IoT:** Fire hydrant monitoring is an automated solution that monitors key parameters such as Hydrant and Sprinkler line pressure, Main and Jockey pump on-off status. These can be interpreted to provide intelligence on unauthorized usage of water and leakage. This information pertaining to breach of above mentioned parameters is notified through dashboard & email alerts. Monitoring of such system is essential as these fire fighting systems are lifeline during any emergency.
- **Temperature & Humidity IoT:** Provides end to end plug & play ambient temperature and humidity monitoring Solution to manage temperature and humidity-controlled environment more efficiently. It generates - Automated reports (historical trends for different locations etc.). Intelligent Alerts - SMS & emails is sent to the concerned (one or multiple) stakeholders in case any anomaly.
- **Electrical IoT:** Electrical IoT is a patented solution (ILGIC Patented Solution) to avoid any instances of short circuiting due to abnormal voltage & current conditions. These are mainly built for application in warehouses. This solution has been created as these locations are having huge stocks with lesser manpower during emergencies mainly during non-business hours. The device automatically cuts off power in case of abnormality & restarts back when situation is normal.

- **Ultrasound technology for Gas Leak Detection:** Use of ultrasound technology for leak detection in process lines. The methodology recommends a non-destructive way of avoiding losses with no downtime. The main objective is to identify the leakages in all pressurized systems including pipelines by using ultrasound technology and tag them for rectification. It also includes listing leaks with individual CFM losses and cost savings possible. The outcome of the exercise will help the plant maintenance team to rectify the leaks and reduce the energy cost. This will also improve the process parameters and production quality.
- **Fire Mitigation Solutions:** Solutions have been designed based on their specific needs, keeping in mind the level of awareness and complexity of the location. These best in class solutions which are installed at correct places by risk assessors.
- **Renewable Solutions:** In line with our philosophy for recommending business solutions, we recommend advise on efficiency measurements for wind and solar power generating assets. Drones are used to provide high accuracy and the quick reach which is not possible through any traditional methodology. User get to know about the low performing module and ways to improve the same within the entire solar plant with latlong identification. We recommend advanced drone-based technology for inspection of wind turbines and solar PV modules.



Marine

In the dynamic realm of marine insurance, cargo faces a myriad of risks, from unpredictable weather conditions to unforeseen accidents, safeguarding against potential challenges at sea is paramount.

- **MLCE (Marine loss control engineering):** Frequent occurring losses due to Peril such as accident, wet damage, theft, non-delivery, pilferage, hijack of consignments, mishandling shall be examined with ground inspections, root cause analysis with MIS, claim assessment reports.
- **Technical engagements:** Uncertainty of the risk associated with the transit can be concluded with marine experts. Risk assessment of cargo from packing, handling, lifting, securing, transit and final delivery methodology shall be discussed with the logistics team. Vessel selection, stowage and securing methods can be jointly discussed with the User's logistics team for a safe transit, dispatch and delivery coverage after assessing the risk on desktop with a virtual or F2F engagement and / or a ground visit.
- **Transit Telematics:** With the government's constant agenda of upgrading to digitalized operations by introducing ULIP and NITI Aayog mode of operations, not having a visibility of transit will hamper your logistics operations. IOT and SAAS based products incorporating the design of a cost efficiency and loss mitigation system can help enhance delivery with safe operation. Additionally, a 24*7 risk control station and detailed post hijack recovery case studies is recommended to effectively monitor and mitigate theft / pilferage prone dispatches and ensure a safe transit delivery. Be it a temperature-controlled cargo, expensive cargo in transit or liquid bulk cargo in lorry tankers, it is essential to mitigate the risk and losses that might occur due to accidents caused by fatigue, unexplained conditions, or theft.



Liability

The growing adoption of technology in organizations has not only led to crucial data being stored and processed on digital platforms but also facilitated the automation of operations, thereby enhancing business efficiency. However, this shift also amplifies cyber risk, exposing sensitive information to potential threats and rendering organizations vulnerable to financial losses, reputational damage, and legal liabilities. As organizations delve deeper into the digital realm, fortifying cybersecurity measures becomes imperative to safeguard operational integrity and protect critical data from unauthorized access or breaches.

- **Phishing Simulation:** Experience cutting-edge phishing simulation tests to fortify your organization's defenses against cyber threats. You can enable phishing attack simulations to educate your employees on identifying and handling potential risks. Through engaging and interactive scenarios, you can raise awareness and equip your team with the necessary skills to detect and thwart phishing attempts.
- **Awareness Campaigns:** With Cyber Awareness Campaigns, you can go beyond just educating organizations about cybersecurity. The campaigns are meticulously designed to empower your team with essential best practices, insights into global incident trends and a comprehensive understanding of potential risks. Interactive designs help you captivate and engage your employees, fostering a cyber-aware culture within your organization. Customized campaigns can perfectly align with your unique needs and requirements and stay informed and vigilant.
- **Incident Response and Readiness:** A bespoke service that fortifies organizations with robust processes and clear communication channels for proficient cyber-incident management. This recommendation not only trims down the incident response time but also facilitates prompt, accurate action within the crucial initial hours. By meticulously assessing your organization's incident response policies and sculpting response systems in alignment with global industry benchmarks, this ensures you are thoroughly prepared to tackle the evolving digital threat landscape.
- **CXO's Session:** CXO's Session service provides immersive training sessions, personalized coaching & interactive discussions to empower your CXOs with cybersecurity knowledge that aligns with your business objectives. The subject matter experts recommend strategic guidance and in-depth insights into the ever-evolving threat landscape, translating technical jargon into practical language. Regular cybersecurity forums facilitate peer-to-peer learning and benchmarking against industry standards. CXO- focused approach ensures a cyber-aware leadership team that drives your organization's success securely into the future.
- **Weekly Threat Intelligence Bulletin:** Stay ahead of cyber threats with the Weekly Threat Intelligence Bulletin. We meticulously curate this comprehensive bulletin, providing timely insights on emerging threats, vulnerabilities, and attack trends. Delivered directly to your inbox, it recommends proactive advantage by promptly identifying potential risks. With continuous updates and ongoing support, you can confidently adapt your Defence strategies to combat the most sophisticated threats. It enables you to make informed decisions and protect your organization from emerging threats with Weekly Threat Intelligence Bulletin.

- **Email Security:** Safeguard your organization's communication channels with the Email Security solutions. We recommend robust measures to protect against phishing, malware & other email-borne threats. The advanced email filtering and authentication technologies prevent malicious emails from reaching your users inbox. Implementing encryption protocols to ensure the confidentiality of sensitive data in transit is a good idea. With real-time monitoring and threat intelligence, email security measures provide proactive Defence, detecting and blocking suspicious activities promptly. You can protect your organization's reputation and sensitive information with comprehensive Email Security measures, ensuring a secure and reliable email environment.
- **Agent-less Patching:** Agent-less patching platform for companies and MSMEs who want a rapid solution to distribute critical security updates and vulnerability fixes without causing system downtime. The patching platform not only assists with patch deployment, but it also enables your system administrator in understanding the patches, Adjustments & impact of the patches on the system. Before applying the patch, the software generates a warning if the system requires downtime or a reboot. You can experience a hassle-free patching process with the platform recommending enhanced security for your organization.
- **EDR/MDR Services:** Elevate your organization's cybersecurity capabilities with the Endpoint Detection and Response (EDR) and Managed Detection and Response (MDR) services. These advanced solutions provide continuous monitoring, rapid threat detection & effective incident response, safeguarding your digital assets in real-time. With EDR, proactively detect and respond to threats at the endpoint level, while MDR service offers 24/7 monitoring and expert support. You can strengthen defenses against the most sophisticated cyber-attacks with EDR/MDR services, ensuring a resilient and secure digital environment.
- **All-in-one Operating System:** All-in-One Operating System is a true game-changing platform that provides a fortified desktop environment to foster secure collaboration and centrally managed cybersecurity resilience. Inbuilt endpoint security serves as a vigilant guard, blocking potential dangers. Effortless IT management provides with a user-friendly interface, leading to significant cost savings in IT infrastructure. It provides in-built end-point security, automated updates and patches along with extensive device reports. Organizations can unlock a secure and prosperous future by embracing the All-in-One Operating System in their IT infrastructure.
- **Cyber Risk Management & Compliance Dashboard:** Gain a clear understanding of your organization's cyber risk exposure with Cyber Risk Management & Compliance Dashboard. This powerful tool assesses your risk posture, quantifies potential financial Impact & evaluates compliance with industry standards and regulations. Armed with this information you can make informed decisions to prioritize cybersecurity investments and ensure compliance with relevant laws and regulations. The intuitive dashboard provides a comprehensive view of your cybersecurity performance enabling data-driven decision-making. This solution enables organizations to stay ahead of threats and ensure a resilient cybersecurity posture.
- **Security Score Card:** Track your organization's cybersecurity performance with a dynamic Security Score Card solution. This comprehensive rating provides a clear overview of your security posture, highlighting areas that require attention and improvement. It empowers data-driven decisions, allowing you to focus on strengthening key areas. Identify potential risks and compliance gaps with industry standards and regulations. With actionable insights, you can prioritize cybersecurity investments effectively, ensuring a robust and resilient Defence against cyber threats. This Security

Score Card solution can be your strategic tool to proactively elevate your cybersecurity posture.

- **VAPT:** Enhance your organization's cybersecurity defenses with the Vulnerability Assessment and Penetration Testing (VAPT) service. Skilled professionals conduct rigorous assessments, simulating real-world attacks to identify potential vulnerabilities in your digital infrastructure. With detailed insights, you can fortify your defenses and proactively address weak points before malicious actors exploit them. This service goes beyond identifying vulnerabilities, you also get actionable recommendations to mitigate risks effectively. Organizations can be one step ahead of cyber threats, ensuring the security and resilience of your critical assets with the comprehensive VAPT service.

Engineering

In engineering risk management, it's vital to adopt a holistic approach that extends beyond immediate concerns to proactively tackle potential risks and uncertainties. Drawing upon considerable expertise in claims handling and risk evaluation, a robust and customized protection strategy can be ensured. Construction endeavors face a myriad of risks such as floods, cyclones, impact damage, fires, theft, and collapse. However, the adverse effects of these risks can be mitigated through the implementation of extensive loss prevention measures specifically tailored for engineering projects.

- **Engineering Loss Prevention Exercise (ELP):** To effectively manage losses in Engineering Risk, fostering a culture of loss prevention is crucial. It's widely acknowledged that each construction project is distinct, presenting specific challenges related to geography, geology, occupancy, and construction methodology, which in turn result in unique associated risks. To cater this challenge a specific risk management framework which deals about the unique requirement of each project could be created for the loss minimization with reference to some parameters of distinctive research and industries best practices.
- **Drone Solutions:** In recent years, the construction industry has undergone significant changes due to the introduction of drone-based construction solutions. These cutting-edge technologies are transforming the planning, design, and execution of construction projects. A major benefit of drone technology in construction is its capacity to conduct aerial surveys, providing extensive coverage and detail. Drones, equipped with advanced cameras and sensors, can rapidly capture precise images and data, offering project managers valuable insights into site conditions. This data can facilitate project planning, cost estimation and design optimization by providing a comprehensive understanding of the project's parameters.
- **CPM - Fleet & Fuel Management:** An advanced GPS-equipped sensor is available to precisely measure direct fuel consumption, evaluate engine efficiency, and detect potential tampering of diesel engines in both mobile vehicles and stationary machinery. This solution enables real-time alerts for service reminders and critical health issues, facilitating prompt resolutions and enhanced utilization. Additionally, it offers valuable insights into machinery and equipment performance through comprehensive analyses, resulting in optimized inventory usage and increased efficiency.



Health

We highly recommend exploring proactive and preventive healthcare solutions, which can make a significant difference in maintaining good health. Recognizing that majority of in-patient department (IPD) admissions could be prevented with timely interventions and regular healthcare, it is important to focus on health, not just during illness.

- **Pioneering Digital Platform:** We recommend exploring digital health innovations offered by industry leaders, which provide cutting edge health solutions through the IL TakeCare (ILTC) app. Our platform has transformed the way health services are delivered by introducing a fully digital and cashless Outpatient Department (OPD) and Wellness Program.
- **Health Advisory Services:** We recommend a suite of health advisory services on the IL TakeCare app. Users can access health risk assessments, diet and exercise trackers, health parameter tracking and trends and sleep, meditation & hydration reminders. In addition, the platform recommends a feature to upload health records up to 1GB, and provides informative health blogs.
- **IL TakeCare App:** IL TakeCare app is a One-Stop-Solution for users with insurance needs. This robust user engagement is a testament to the high-value features that the app provides. Unique to the app is the innovative self-health assessment feature, which includes Face scan technology that can measure blood pressure, heart rate, cardiac variance, and SpO2 levels. The platform provides seamless teleconsultations with medical practitioners and specialists, and even recommends access to mental wellness experts to the insured. The facility for cashless OPD services and the efficient claim settlement process further enhance user experience. By encapsulating a wide range of state-of-the-art health services and solutions, the IL TakeCare platform revolutionizes corporate health management and serves as a comprehensive digital health solution.



Bibliography

<https://www.thehindu.com/business/Economy/year-in-review-how-indias-economic-indicators-fared-in-2023/article67641756.ece#:~:text=India's%20retail%20inflation%20rate,by%205.55%25%20in%20November%202023.>

<https://www.forbesindia.com/article/explainers/repo-rate-current-history-india/85101/1>

<https://indianexpress.com/article/business/economy/indias-retail-inflation-for-february-stands-at-5-09-9210265/#:~:text=Inflation%20based%20on%20the%20Consumer,per%20cent%20in%20February%202023.&text=India's%20re tail%20inflation%20for%20the,according%20to%20government's%20official%20data.>

https://www.business-standard.com/economy/news/cpi-based-inflation-eases-to-5-09-inn-feb-jan-iip-growth-at-3-98-124031200753_1.html

<https://www.livemint.com/economy/rbis-2023-in-review-from-stable-repo-rates-to-tighter-loan-norms-5-key-policy-changes-by-shaktikanta-das-co-11703749478001.html>

<https://www.forbes.com/advisor/in/personal-finance/inflation-rate-in-india/>

<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1985492>

<https://www.businesstoday.in/union-budget/story/direct-tax-collection-on-course-to-grow-3-times-to-over-rs-19-lakh-crore-as-budget-2024-nears-411258-2023-12-29>

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1987877>

<https://www.zeebiz.com/personal-finance/income-tax/news-net-direct-tax-collection-grows-almost-20-to-rs-1890-lakh-crore-till-march-17-in-fy-2023-24-280870>

<https://www.cnbctv18.com/market/currency/year-ender-2023--the-year-that-was-for-the-indian-rupee-18599441.htm>

<https://www.deccanherald.com/business/economy/geopolitical-strife-world-trade-slowdown-pose-risks-to-indian-economy-rbi-2828357>

<https://www.heritage.org/index/>

<https://currentaffairs.adda247.com/index-of-economic-freedom/#:~:text=The%202023%20Index%20of%20Economic,spot%20out%20of%20184%20nations.>

https://www.business-standard.com/india-news/around-1-1-million-financial-fraud-cases-registered-in-2023-shows-data-124020601528_1.html#:~:text=A%20total%20of%201.13%20million,Affairs%20to%20report%20financial%20fraud.

<https://timesofindia.indiatimes.com/india/india-saw-129-cybercrimes-per-lakh-population-in-2023/articleshow/106524847.cms>

<https://www.thequint.com/tech-and-auto/tech-news/cyber-crime-india-2023-figures-statistics-trends-infographic>

<https://www.mailmodo.com/guides/email-spam-statistics/>

<https://www.thehindu.com/sci-tech/technology/major-cybersecurity-data-breaches-in-2023/article67644589.ece>

<https://www.livemint.com/industry/retail/almost-25-30-products-sold-in-india-spurious-with-counterfeiting-report-11674655725574.html>

https://www.business-standard.com/economy/news/six-indian-markets-offer-counterfeit-products-shows-us-report-124013000914_1.html

<https://www.livemint.com/industry/retail/almost-25-30-products-sold-in-india-spurious-with-counterfeiting-report-11674655725574.html>

<https://www.drishtiias.com/daily-updates/daily-news-analysis/illicit-trade-in-india#:~:text=Overview%20of%20Illicit%20Trade%20in,Financial%20Year%20of%202022%2D23.>

<https://pwnonlyias.com/current-affairs/illicit-trade/>

<https://economictimes.indiatimes.com/tech/tech-bytes/hp-discovers-rs-30-crore-worth-of-counterfeit-supplies-in->

2023/articleshow/107663390.cms?from=mdr

<https://economictimes.indiatimes.com/news/economy/finance/around-91110-pieces-of-fake-rs-500-notes-detected-in-fy23-rbi-report/articleshow/100614133.cms?from=mdr>

<https://www.worldtrademarkreview.com/guide/anti-counterfeiting-and-online-brand-enforcement/2023/article/india-bolstered-anti-counterfeiting-regime-champions-stricter-market-regulation-and-enhanced-consumer-awareness>

https://www.business-standard.com/india-news/fewer-women-feel-safe-in-india-than-before-georgetown-institute-index-124030700875_1.html#:~:text=The%20sense%20of%20safety%20among,58%20per%20cent%20in%202023.

<https://www.financialexpress.com/business/digital-transformation-gender-and-cybersecurity-rise-of-online-attacks-and-resolution-3417722/>

https://www.business-standard.com/india-news/2023-the-year-that-was-notes-from-the-planet-a-wake-up-call-123122500893_1.html

<https://thediplomat.com/2023/09/indias-lopsided-post-covid-economic-recovery/>

https://www.business-standard.com/companies/news/over-100-lives-lost-in-industrial-accidents-at-india-s-companies-in-fy23-123120100710_1.html

<https://theecsrjournal.in/indias-rise-in-sustainability-a-closer-look-at-the-2023-sustainable-trade-index-rankings/>

<https://www.businesstoday.in/india-at-100/story/sustainable-india-2047-green-growth-and-environmental-stewardship-395650-2023-08-25>

<https://www.thehindu.com/business/Economy/year-in-review-how-indias-economic-indicators-fared-in-2023/article67641756.ece#:~:text=India's%20retail%20inflation%20rate,by%205.55%25%20in%20November%202023.>

<https://www.forbesindia.com/article/explainers/repo-rate-current-history-india/85101/1>

<https://indianexpress.com/article/business/economy/indias-retail-inflation-for-february-stands-at-5-09-9210265/#:~:text=Inflation%20based%20on%20the%20Consumer,per%20cent%20in%20February%202023.&text=India's%20retail%20inflation%20for%20the,according%20to%20government's%20official%20data.>

https://www.business-standard.com/economy/news/cpi-based-inflation-eases-to-5-09-inn-feb-jan-iip-growth-at-3-98-124031200753_1.html

<https://www.livemint.com/economy/rbis-2023-in-review-from-stable-repo-rates-to-tighter-loan-norms-5-key-policy-changes-by-shaktikanta-das-co-11703749478001.html>

<https://www.forbes.com/advisor/in/personal-finance/inflation-rate-in-india/>

<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1985492>

<https://www.businesstoday.in/union-budget/story/direct-tax-collection-on-course-to-grow-3-times-to-over-rs-19-lakh-crore-as-budget-2024-nears-411258-2023-12-29>

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1987877>

<https://www.zeebiz.com/personal-finance/income-tax/news-net-direct-tax-collection-grows-almost-20-to-rs-1890-lakh-crore-till-march-17-in-fy-2023-24-280870>

<https://www.cnbctv18.com/market/currency/year-ender-2023--the-year-that-was-for-the-indian-rupee-18599441.htm>

<https://www.deccanherald.com/business/economy/geopolitical-strife-world-trade-slowdown-pose-risks-to-indian-economy-rbi-2828357>

<https://www.heritage.org/index/>

<https://currentaffairs.adda247.com/index-of-economic-freedom/#:~:text=The%202023%20Index%20of%20Economic,spot%20out%20of%20184%20nations.>

https://www.business-standard.com/india-news/around-1-1-million-financial-fraud-cases-registered-in-2023-shows-data-124020601528_1.html#:~:text=A%20total%20of%201.13%20million,Affairs%20to%20report%20financial%20fraud.

<https://timesofindia.indiatimes.com/india/india-saw-129-cybercrimes-per-lakh-population-in-2023/articleshow/106524847.cms>

<https://www.thequint.com/tech-and-auto/tech-news/cyber-crime-india-2023-figures-statistics-trends-infographic>

<https://www.mailmodo.com/guides/email-spam-statistics/>

<https://www.thehindu.com/sci-tech/technology/major-cybersecurity-data-breaches-in-2023/article67644589.ece>

<https://www.livemint.com/industry/retail/almost-25-30-products-sold-in-india-spurious-with-counterfeiting-report-11674655725574.html>

https://www.business-standard.com/economy/news/six-indian-markets-offer-counterfeit-products-shows-us-report-124013000914_1.html

<https://www.livemint.com/industry/retail/almost-25-30-products-sold-in-india-spurious-with-counterfeiting-report-11674655725574.html>

<https://www.drishtiias.com/daily-updates/daily-news-analysis/illicit-trade-in-india#:~:text=Overview%20of%20Illicit%20Trade%20in,Financial%20Year%20of%202022%2D23.>

<https://pwnonlyas.com/current-affairs/illicit-trade/>

<https://economictimes.indiatimes.com/tech/tech-bytes/hp-discovers-rs-30-crore-worth-of-counterfeit-supplies-in-2023/articleshow/107663390.cms?from=mdr>

<https://economictimes.indiatimes.com/news/economy/finance/around-91110-pieces-of-fake-rs-500-notes-detected-in-fy23-rbi-report/articleshow/100614133.cms?from=mdr>

<https://www.worldtrademarkreview.com/guide/anti-counterfeiting-and-online-brand-enforcement/2023/article/india-bolstered-anti-counterfeiting-regime-champions-stricter-market-regulation-and-enhanced-consumer-awareness>

https://www.business-standard.com/india-news/fewer-women-feel-safe-in-india-than-before-georgetown-institute-index-124030700875_1.html#:~:text=The%20sense%20of%20safety%20among,58%20per%20cent%20in%202023.

<https://www.financialexpress.com/business/digital-transformation-gender-and-cybersecurity-rise-of-online-attacks-and-resolution-3417722/>

https://www.business-standard.com/india-news/2023-the-year-that-was-notes-from-the-planet-a-wake-up-call-123122500893_1.html

<https://thedi diplomat.com/2023/09/indias-lopsided-post-covid-economic-recovery/>

https://www.business-standard.com/companies/news/over-100-lives-lost-in-industrial-accidents-at-india-s-companies-in-fy23-123120100710_1.html

<https://theecsrjournal.in/indias-rise-in-sustainability-a-closer-look-at-the-2023-sustainable-trade-index-rankings/>

<https://www.besnesstoday.in/india-at-100/story/sustainable-india-2047-green-growth-and-environmental-stewardship-395650-2023-08-25>

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/hospitality-industry-set-for-buoyant-2023/articleshow/96336085.cms?>

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/hospitality-industry-set-for-buoyant2023/articleshow/96336085.cms?https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/hospitality-industry-set-for-buoyant2023/articleshow/96336085.cms>

<https://www.policycircle.org/industry/tourism-industry-india-2022/>

<https://www.squareyards.com/blog/budget-2022-23-expectations-ubi>

<https://www.infomerics.com/admin/uploads/Hospitality-industry-feb23.pdf>

<https://www.thehindubusinessline.com/companies/oyo-completes-acquisition-of-european-firm-directbooker/article65397101.ece>

<https://www.mordorintelligence.com/industry-reports/hospitality-industry-in-india>

<https://timesofindia.indiatimes.com/business/india-business/accor-to-expand-in-india-by-opening-9-new-novotel-and-ibis-brandssoon/articleshow/89942121.cms>

<https://travel.economictimes.indiatimes.com/news/tourism/cruise/dream-hotel-group-to-invest-us300-m-to-develop-cruisetourism-in-india/81608598>

<https://riskandinsurance.com/7-critical-risks-facing-the-hospitality-industry/>

<https://www.macrotrends.net/countries/IND/india/population>

<https://www.indiatoday.in/diu/story/india-vs-china-what-changes-in-population-structures-mean-for-both-countries-and-the-world2324254-2023-01-20>

<https://www.ibef.org/industry/tourism-hospitality-india>

<https://economictimes.indiatimes.com/industry/services/travel/covid-impact-travel-hospitality-sector-again-pushes-for-government-help/articleshow/90278093.cms>

<https://economictimes.indiatimes.com/industry/services/travel/21-5-million-people-in-tourism-sector-lost-their-jobs-since-covid-19-outbreak-govt/articleshow/90201587.cmsfrom=mdr> <https://www.indiaspend.com/job-loss-looms-over-millions-as-covid-19-brings-tourism-to-a-standstill>

https://tourism.gov.in/sites/default/files/2021-11/Tourism-Corona%20Report_Print%20version.pdf

<http://www.tnhglobal.com/covid-19-crisis-satourism-msmes-save-tourism-millions-jobs/>

<https://str.com/data-insights-blog/covid-19-india-hotel-performance-impact>

<https://www.financialexpress.com/lifestyle/travel-tourism/cybersecurity-travel-sector-in-the-crosshairs-of-hackers/2487349/>

<https://hospitalitybizindia.com/feature/technology/cyber-security-absolute-necessity/>

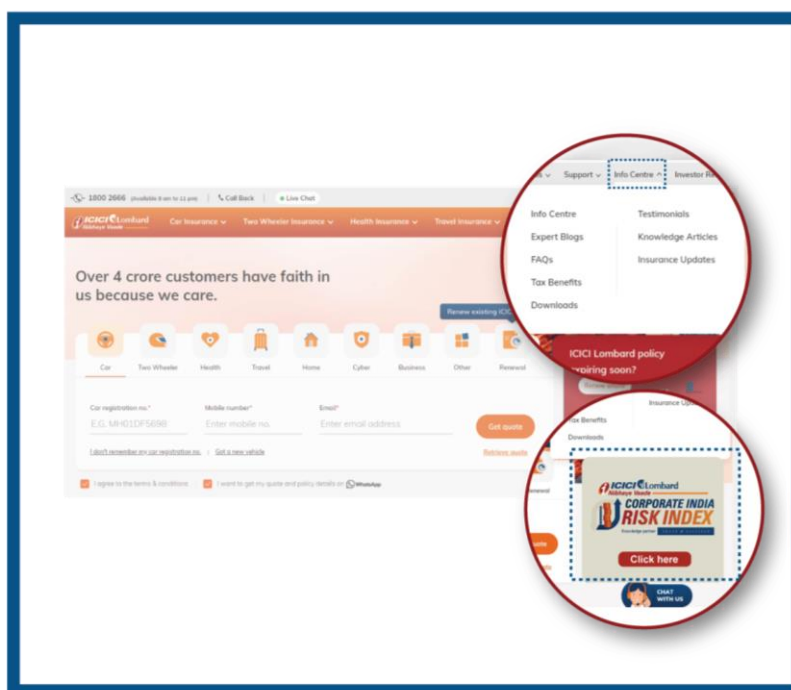
Disclaimer 1: Risk management Solution / Value Added Solution mentioned in the report are as per the assessment observation & experience in that sector. These solutions are suggested or intended to for a better management and mitigation of corporate risks. The content of the solutions is a proprietary of ICICI Lombard cannot be copied and/or distributed without permission of ICICI Lombard. The content provided is for improvement purposes only and ICICI Lombard is not responsible for any issues or liability arising out of the use of the said information. ICICI Lombard does not make representations or warranties, either express or implied, of any kind with respect to the third party, its actions, content, information or data. ICICI Lombard does not represent or endorse the accuracy or reliability of any advice, opinion, statement, or other information provided for the purpose of rendering services hereunder. Users acknowledges that any reliance upon such opinion, advice, statement, memorandum, or information shall be at his/her sole risk. Any such person or entity should seek advice based on the particular circumstances from the experts of the respective filed arenas.

Disclaimer 2: ICICI trade logo displayed above belongs to ICICI Bank and is used by ICICI Lombard GIC Ltd. under license and Lombard logo belongs to ICICI Lombard GIC Ltd. ICICI Lombard General Insurance Company Limited, ICICI Lombard House, 414, P. Balu Marg, Off Veer Savarkar Road, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai 400025. Toll Free: 1800 2666 Fax No: 022 61961323 IRDA Reg. No. 115 CIN: L67200MH2000PLC129408 Customer Support Email Id: customersupport@icicilombard.com
Website Address: www.icicilombard.com



Now accessible at

www.icicilombard.com/corporate-india-risk-index



Please send a mail to ciri@icicilombard.com to get your customized ICICI Lombard Corporate India Risk Index Report

